

16 August 1978

Approved For Release 2001/08/07 : CIA-RDP80B01554R002800350001-7

TOWN HALL MEETING
Anaheim, California
(Edited Transcript)
10 August 1978

Ladies and gentlemen, it really is a pleasure to be here and to have this opportunity to talk to you about the state of American intelligence today.

Good intelligence is more important for our country today than ever in its history. We are in an era of detente, military parity, and increasing interdependence, economically and politically. Under these circumstances, knowing what is going on in foreign countries is more important to our decision makers than it was when we were pre-eminent in these areas. I would like to describe to you some changes, some improvements that we are making in response to these new challenges.

First, how we collect intelligence, how we gather the data that we need, is changing. Basically, intelligence is collected in two ways: by human agent or the spy; and by more modern, sophisticated technical means, largely through photography or by intercepting signals that are passing through the air all around us. In recent years the sophistication of American technology has opened up all kinds of new possibilities giving us great advantages in the field of intelligence. These new techniques bring in such vast quantities of data that we are almost surfeited. Yet interestingly, a photograph or a signal, generally speaking, tells you what happened someplace yesterday, or maybe today. It does not tell you why it happened or what may happen tomorrow. Every time you present this kind of information to a decision maker he asks, why? What will happen next? Finding out what may happen next is the forte of the human intelligence agent. He is the one who probes into people's intentions, plans, and aspirations. So today, we depend on a mix of both the traditional human and the technical means of collecting information. The challenge is to bring them into a true sense of teamwork because the intelligence gathering agencies of our government are large and diverse, and are spread over a number of departments.

To bring about better teamwork, last January President Carter signed an order which gives the Director of Central Intelligence greater authority to ensure the proper coordination, the proper teamwork, between all of these intelligence collection agencies. The costs are high, the risks are considerable. It is important that we work toward the same objective, that we are not spending money or taking risks unnecessarily. It is just as important that we are not missing something because one agency thinks the other one is doing it and, in fact, neither may be. It is interesting. It is challenging.

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But collecting intelligence is only half of the problem. The other half is interpreting the information you collect; asking what does it mean? Very seldom is any piece of information so clear and conclusive that everyone will agree on its interpretation. Here President Carter's order is very careful not to give the Director of Central Intelligence single, decisional authority. Why? Because it is important that all reasonable interpretations be brought forward. No analyst is infallible. We all sometimes cling to old, but what seem to us to be valid, assumptions. But when we do, we can make the same old mistake year after year. So we have different analytic agencies in the Defense Department, in the CIA, the State Department, the Department of Energy, Department of Treasury, and so on. We want interplay and competition between them. We want new ideas and fresh interpretations today particularly because the scope of what we must analyze is constantly broadening.

If you look back 30 years when a Central Intelligence function was first organized in our country, the primary concern of our intelligence effort was to learn what was going on in the Soviet military. That was seen as the greatest potential threat to our country so that is what our intelligence agencies focused on. Look how the world has changed since then. We are interested in most of the 150 some countries around the world. Our intercourse with most of those countries is more political and economic than it is military. So we have had to expand our interest from just military affairs and delve very deeply into the economic and political. Let me not overstate the case to you. Understanding the Soviet military threat must remain our number one intelligence priority. But beyond that we must now cover many other areas of legitimate interest to our country today. We must try to predict the grain harvest in the Soviet Union; to give medical prognostications on the future of national and world leaders; to understand the psychology of terrorism; to probe into the often labyrinthine workings of international drug trafficking; to forecast the economic condition of countries that do not publish economic statistics; as well as many other areas. Again, a new and exciting challenge for us.

Further complicating this picture, we must collect and analyze this information in quite a new atmosphere today. If you think back just 5 to 10 years, a Director of Central Intelligence probably would not have been here talking with you. You probably would not have invited him. In those days intelligence just was not in the headlines; it was not that much of a public topic. It was regarded as an almost totally secretive matter. But Vietnam, Watergate, and subsequent events virtually propelled intelligence activity into the headlines. There have been allegations after allegations. Investigations followed investigation. Reporters have dug up all manner of stories. And finally, former CIA agents have written books to expose everything that nobody else had exposed. Fiction and myth have become so entwined with fragments of truth that today it is nearly impossible for the public to separate them. So today we are confronted with quite a new environment in which to work. We must operate much more in the open than ever before.

You might ask, how do you do that? How can you be more open in an intelligence business and still be effective? Well, I think we can, not in spite of this openness, but because of it. Being open is being American. And as openness is one of the great strengths of our society, it can be a strength for the Intelligence Community.

Let me start by saying that it is through openness that we can earn public understanding and support. I sincerely believe that no agency of our government can flourish over the long-run unless it has the basic support of the American people. We in intelligence used to have that support simply on faith. On the implicit acceptance by the American people that this was not a subject to talk about or probe into. But, we have lost that faith. In the mid-1970's when allegations of intelligence abuses were the mainstay of every newspaper and TV documentary, the American public did not have a basic reservoir of understanding about what the intelligence agencies were doing so that they could balance their past successes with these allegations. In the absence of knowledge, the public had little choice but to accept much of what is being told. Today we are trying to build an understanding of what we do and why it is important to our country because we believe public support is important to the continuation of a good intelligence capability for our country.

How are we doing that? For one thing, we are speaking more in public like this. We are also answering media inquiries more. Many times we must still say, "no comment," but I assure you the needle isn't stuck in that groove as it has been. We are also publishing the product of intelligence more. Before I go further, let me emphasize that all these speeches, responses to the media, and publications are controlled responses made by responsible authorities. We are not just letting any intelligence professional go out and talk about anything he wants. Clearly, there must be secrets in intelligence work.

But back to an example of how we are trying to increase understanding and knowledge of what we are doing. I talked about publications. We publish 2 unclassified studies or analyses on the average each week. We take each classified study that is done within the intelligence community and determine whether, if we removed information which really must be kept secret - information which would reveal sources or deny the government of the advantage of unique information - would the remaining corpus be of interest and value to the American public? If the answer is yes, we publish. We think this effort is of value to the American public. We know it is of value to us. It makes information available to the public that might otherwise have been classified. At the same time it permits us to benefit from criticism and comment, to exchange views with more people than we normally would.

For example, in March 1977 we published our assessment of the world energy situation. Simply, we said that in our view, over the next 5 to 8 years the world would not be able to take out of the ground as

much oil as it would want to consume. That this situation would give rise to problems. Our report was not universally received as being a good forecast; however, events are beginning to prove us more and more correct in my opinion. Nonetheless, it was interesting because when we read these criticisms, largely reported in the press, I personally wrote to each of the critics and asked them to expand on their views, giving the specific reasons they thought we were wrong. I invited those who responded to come to Washington and spend a day discussing this topic with our economic analysts. It was an important day for us; one that challenged our people, put them on their mettle to defend their theses against these experts. I think both sides learned from the experience.

Interestingly, another benefit of openness is in helping us keep secrets better. That sounds like a contradiction, but it is not. One of the great problems in keeping secrets is that there are too many of them. By releasing as much information to the public as possible we reduce the quantity of secrets. When too much is classified secret, when information that really does not need to be secret is so labeled, people lose respect for those labels. They look at a document marked secret or top secret and are inclined to treat it cavalierly. One of the serious problems our country faces today is how to keep our secrets better.

Today journalism has become one of the glamor careers of college students. Investigative reporting seems the road to fame and fortune. Now there is nothing wrong with investigative reporting and those most famous of investigative reporters, Woodward and Bernstein, did a great thing for our country. But when every elected or appointed public official is viewed as suspect and every renegade "whistle-blower" is automatically accepted as a hero; when there is a greater emphasis on criticizing and tearing down our society than on building it, we are heading for real trouble.

There is no question there have been too many secrets. But secrets in themselves are not necessarily good or bad, moral or immoral. It is a fact that in each one of our personal lives, in business, in government, and particularly in the intelligence activities of our government, there must be some secrets. Some things cannot be done except in confidence; some information is useful only if it can be protected. If we revealed how we obtain information about the many closed societies in the world, for example, you can well appreciate our sources would dry up overnight. If during World War II it became known that we had broken the German and Japanese codes how long would those codes have been useful to us? The problem though, as I am sure you sense, is that while we may all concede that there are legitimate secrets in government, how do you control and limit the authority to classify information so that the system will not be abused and used to cover up improper or illegal activity?

Out of the crucible of the last several years of public criticism of intelligence, has been forged a series of mechanisms for oversight

that give good assurance to Americans that our intelligence agencies are under control. In short, if the public cannot have total access to everything we do, what can be done instead is to bring in surrogates for the public - some people, some agencies who will be given adequate information about our activities to be able to judge them.

Who are they? First, there are the President and the Vice President. People who take an intense, active interest in intelligence activities. I'm privileged to meet with the President weekly to tell him about on-going intelligence activities. Both he and the Vice President are always willing to give advice, guidance, and specific direction.

Secondly, two and a half years ago, a Presidential Intelligence Oversight Board was formed. Today this Board is comprised of three distinguished Americans, former Senator Gore of Tennessee, former Governor Scranton of Pennsylvania, and a prominent lawyer, Mr. Thomas Farmer, of Washington, D. C. Their sole purpose is to oversee the legality and propriety of what we are doing. Any member of the intelligence community, any public citizen who believes something is being done wrong may communicate directly with this Board. The Board will then investigate their allegation and report directly to the President, not to me. The President then has to decide what needs to be done.

Additionally, there is a new, in the last two years, important oversight process in the Congress of the United States. Today, there is a committee in each chamber, the Senate and the House of Representatives, dedicated only to the oversight of intelligence activities. These two committees are thorough and vigorous. They have me testify before them regularly, and I respond in the most forthright terms. They are very helpful also. They give me advice; they explore new outlooks. But, at the same time, I assure you they are scrupulous in investigating anything that they think may be mismanaged. I believe that the combination of these oversight procedures gives the American public today greater assurance than ever before that our intelligence activities are legal and proper.

There are also risks in oversight. First, the risk of leaks. The more people who know any secret, whoever they may be, the more likely it will be leaked. And secondly, there are the risks of "overmanagement." The more familiar overseers become with specific operations, the more they tend to want to get into more and more detail. Eventually instead of overseeing, they are managing. Management generally precludes good, objective oversight. So we have to watch it in both cases. We must try to achieve a balance where there is enough oversight to provide reassurance but not so much as to hobble intelligence activities. I think we are achieving that balance today, but to be candid, it probably will be another two years before we are sure that we have a stable and appropriate balance.

Is it worth the effort to have this oversight and this openness? Yes, I think it is. I think the strengths we get from openness counterbalance the risks in many ways. I have talked about public support, about preserving our secrets, about the reassurance it gives not only to the American public but to us to have a process of oversight that ensures we perform in ways that the American public would support, and in ways that conform with our foreign policy, not run counter to it.

Finally, there is another advantage to me as a manager. Oversight and its logical concomitant, accountability, makes it easier to manage any organization, especially one that is inherently secretive and risk-taking like intelligence. It is easy to be carried away with dedicated enthusiasm and perhaps to take risks that are not warranted. But when you are subjected to accountability, and recognize that you will be asked why you did something, it forces decision makers to stand behind what they do. Accountability is a very good tool for management.

In conclusion, then, there are two major trends in intelligence in our country today. We must operate in greater openness and under greater oversight but, at the same time, we must expand our areas of expertise and information to be able to give to our major policy makers the quality and scope of information they need to make good decisions. This is an important and historic time in American intelligence. We are, in my view, evolving a new, uniquely American model of intelligence. A model that is founded in the basic values of our society and yet is designed to enable us to have the capabilities that we need to gather and interpret the information which we need. We are the best in the world at intelligence today. I also assure you that I intend that we are going to stay that way.

Thank you.

TOWN HALL MEETING
Anaheim, California

10 August 1978

Thank you very much, Lou. Ladies and gentlemen, it really is a pleasure to be here at Town Hall and to have this opportunity to talk to you about the state of American intelligence today. I happen to think that good intelligence is probably more important for our country today than ever in its history. We're in an era of detente, military parity, and increasing interdependence, economically and politically. Under these circumstances, having good information about what's going on in foreign countries is of more importance to our decision makers than we were even more pre-eminent in these areas. Therefore I'd like to describe to you some changes, some improvements that we're making to respond to these new challenges. First, there are interesting changes coming about in how we go to collect intelligence, how we gather the data that we need. There are two basic needs: the first is a long traditional one, the human agent or the spy; and the second are the more modern, sophisticated technical techniques, largely photographic or what we call signals intercept, intercepting signals that are passing through the airwaves all around us. Now in recent years the sophistication of American technology has opened up all kinds of new possibilities for these technical techniques. In fact, because we are the most advanced nation technologically, this is one of the great advantages we have in the field of intelligence. These new technical techniques are bringing in vast quantities of data, almost so much that we're

_____. Yet interestingly, a photograph or a signal generally speaking tells you what happened someplace yesterday, or maybe today. It does not tell you why it happened or what's going to happen tomorrow and every time you present this kind of information to a decision maker that's what he asks you--why? what happens next? And that is the forte of the human intelligence agent. He's the one who probes into what people's intentions, plans, aspirations are. So today, we need a mix of both the old traditional and new sophisticated technical means of collecting intelligence data. And the challenge that faces me is to bring this into a true sense of teamwork because the intelligence gathering agencies of our government are spread over a number of departments, they're large and they're diverse. And in order to bring about better teamwork, last January President Carter signed an order which gives the Director of Central Intelligence, myself, greater authority to ensure the proper coordination, the proper teamwork between all of these intelligence collection agencies. The costs are high, the risks are considerable, its important that we have an assurance that we're working towards the same objective, that we're not unnecessarily spending money or taking risks, but also that we're not missing something because one agency thinks the other one is doing it and vice versa. Its interesting, its challenging. But collecting intelligence data is only half of the problem. The other half is you've got to interpret it. You have to analyze it and ask yourself what does it mean. Its very, very seldom that any piece of intelligence data will be so conclusive that everybody will agree on its interpretation. And here President Carter's order is very careful not to give the Director of Central Intelligence

decisional authority. Why? Because its important that we have that _____ and different views brought forward. You cannot afford to let people suppress an idea, a new interpretation because who knows, if you go along with the same old assumption then you may make the same old mistake year after year. So we have different analytic agencies in the Defense Department, in the CIA, the State Department, the Department of Energy, Department of Treasury, and so on. We want that interplay. We want that competition between them. We need it today particularly because the scope of what we must analyze is constantly broadening. Why? Well if you look back 30 years when we first organized a Central Intelligence function in our country, the primary product of our intelligence was what is going on in the Soviet military area. That was a threat to our country then and that's what all of our intelligence agencies focused on. Look how the world has changed since then. We're interested in, we have concern with most of the 150 some countries around the world. And therefore, we have to consider that our intercourse with most of those countries is much more political and economic than it is military. So we have had to expand beyond just the military intelligence very deeply into the economic and political. Now let me not overstate the case to you. Understanding the Soviet military threat is and will remain our number one intelligence priority. It has to. What I'm saying is that on top of this we must now expand our horizons. We must _____ into new _____ disciplines to cover these many other areas of legitimate interest to our country today. We have to predict the grain harvest in the Soviet Union, we have to give medical prognostications on the future of leaders of other countries, we

have to understand the psychology of terrorism, we have to probe into all the detailed workings of the international drug market, we have to look into the economic forecast for countries that don't publish economic statistics, and many other areas. Again, a new and exciting challenge for us. We must also collect information and analyze information in quite a new atmosphere today. If you think back 5 or 10 years, a Director of Central Intelligence probably would not have been here talking with you. You probably would not have invited him. Why? Because in those days intelligence just wasn't in the headlines, it wasn't that much of a public topic. We regarded it as a almost totally secretive matter. But Vietnam and Watergate virtually propelled our intelligence activity into the headlines. There have been allegations after allegations. There have been investigation after investigation. There have been reporters who've dug up stories after stories and finally, there have been our former agents who have written books to expose everything that nobody else has exposed. And so here we are today confronted with quite a new environment. We have to operate much more in the open than ever before. Now one of you might as me, how do you do that, how can you be more open in an intelligence business and still be effective? Well let me say I think we can, not in spite of this openness but because of it. Being open is being American. And therefore, there are strengths, there are benefits to us in opening up. Let me start with one and that's public understanding and support. I sincerely believe that nobody can say that our government can flourish over the long-run unless it has basic support from the American people. Now we in intelligence used

to have that simply on faith, simply on _____ understanding by the American people that this was not a subject to talk about or probe into. So we've lost that, we've lost that in the allegations, revelations of abuses of '75 and '76 and at that time, the American public did not have a basis reservoir of understanding about the intelligence process so that they could balance the successes of the past with these allegations of abuses. And so today, we are trying to build an understanding of what we do and why it is important to our country because we think that public support is important, important to the continuation of the good intelligence capability for our country. How are we doing that? Well we're speaking more, like this. We're also answering inquiries of the media more. There's many, many time nonetheless when we have to say to the media, "no comment," but I can assure you the needle isn't stuck in that groove. And we're also publishing more, publishing more of the product of intelligence. Now before I go further, let me emphasize that all of these, speeches, releases to the media, publications, are controlled responses by responsible authorities. We're not just _____ any intelligence professional go out and talk on the street corner about anything he wants. Clearly, there has to be secrets in our intelligence business. Pick an example. I talked about publications. Well we publish on the average about 2 unclassified studies or analyses a week. Now what we do is we take the classified studies that are done within the intelligence community and we look at each one and we say to ourselves, if we remove from this that information which really must be kept secret, would the remaining corpus be of value, of interest to the American public. Would it improve the quality of debate? And if the

answer is yes, we go ahead and publish. And we hope ~~that~~ and think that's of value to the American public and we know its also of value to us. It makes information available to the public that might otherwise have been classified and for us it opens us to critique, to criticism, to debate with more people than we normally have. For instance, in March 1977 we published a court act about the world energy situation. What we simply said was that in our view, over the next 5 _____ years the world was not going to be able to get out of the ground as much oil as it was going to want to consume on the face of the earth and it was going to be a problem. When we published that we weren't universally received as being a good forecaster. Events are beginning to prove us more and more correct in my opinion, but it was exciting, it was interesting because as we read these criticisms, the critiques in the press and so on, I personally wrote to each of the critics and I said, please expand and give me the specific reasons you think we are in error here. And those who responded to me I invited to come to our headquarters in Washington and spend a day discussing this topic with our economic analysts. It was an exciting and important day and one that challenged our people, put them on their mettle to defend their theses against these experts. So these are real benefits to being more open. Interestingly, still another benefit of openness is to help us keep our secrets. If you think that's a contradiction, let me explain. One of the great problems we have keeping secrets is that there are too many of them and by releasing information to the public we are trying to narrow the body of secrecy. When too much is secret, when things that really don't deserve to be secret are so labelled, our own people lose respect

for those labels. They look at their document and it says, secret or top secret, or destroy before reading, and they are inclined to treat it cavalierly. Let me assure you that I do believe one of the serious problems of our country faces today is how to keep our secrets better. Its a very serious issue before all of us. Today there is a tendency on the part of every young college graduate to want to go into journalism. And what does he want to go into? He wants to go into investigative reporting. Now there's nothing wrong with investigative reporting and those most famous of investigative reporters, Woodward and Bernstein, did a great thing for our country. But what I'm saying to you is we run a risk whenever^{an}/elected or appointed public official is viewed as suspect and every renegade CIA officer who calls himself "whistle-blower" is automatically accepted as a hero. We must find a proper balance. Investigative reporting is fine but if there is too much emphasis on criticizing and tearing down our society and not enough on building it, we can as a nation be in real trouble. Now there is no question there have been too many secrets. But secrets in themselves are not necessarily good or bad, moral or immoral, its simply a fact of life that in business, in government, and particularly in the intelligence portions of government, there must be some secrets. There are things that you cannot - that you will not do if they cannot be done in confidentiality. _____

I've talked about needing information about what goes on in the closed societies of many foreign countries. Well if we went around talking about how we go about obtaining information in those circumstances, you can well appreciate our sources would dry up overnight. Lou referred to the marvelous intelligence achievements of World War II. One of those was breaking the German and Japanese codes. Think how futile that would have

been for us if we had let that leak out into the public domain. The problem though, as I am sure you all sense, is while there are legitimate secrets in every government, how do you control and limit the privilege of giving things ~~to the public~~ the secret label and not let people abuse that, and cover up things that they don't want known which should be made available to the public. Well let me say to you that out of the crucibles of the last several years of public criticism of intelligence, I believe that we have forged a series of mechanisms for oversight that give good control, good assurance to the American public as to how we're going about our intelligence process. In short, if we cannot bring the public in on everything we do, what we can do instead is to bring in some surrogates for the public, some people, some agencies who will be given adequate information about our activities to pass judgment on us. These are surrogates for the American public. Who are they? Well first there's the President and the Vice President. People who take a very intense, active interest in our intelligence activities. I'm privileged to talk to the President weekly and tell him about our intelligence activities that are ongoing and both he and the Vice President are always willing to give ~~the~~ advice, guidance, specific direction. Secondly, two and a half years ago, there was formed a Presidential Intelligence Oversight Board. Today this Board, comprised of three distinguished Americans, former Senator Gore of Tennessee, former Governor Scranton of Pennsylvania, and a prominent lawyer, Mr. Thomas Farmer, of Washington, D.C. The sole purpose of this Board is to oversee the legalities, the proprieties of what we are doing in the field of intelligence. Any member of the intelligence community, any public citizens, may communicate with this Board and notify them that they believe something is being done wrong. The Board will then

dig into it and make a report only to the President, not to me, I may be the culprit somebody thinks. So this is a way of checking on the entire process and the President then has to decide what needs to be done.

Certainly there's a new, in the last two years, important oversight process in the Congress of the United States. Today, and never before has it been this organized, there is a committee in each chamber, Senate and the House of Representatives, dedicated only to intelligence. These two committees are very thorough, very vigorous, they have me up there regularly, and I talk to them in forthright terms as I possibly can. They are very helpful also, they give me advice, they open up new outlooks on various matters we're discussing, but I can also assure you they are scrupulous in investigating anything that they think may be mismanaged. I believe that the combination of these oversight procedures give the American public today greater assurance than ever before about our intelligence activities. You may well wonder then, aren't there risks in this. And there are. There are risks in oversight, first risks of leaks. The more people who know any secret, the more likely it is to leak regardless of who the people are. Its a mathematical formula. And secondly, there are leaks of what I would call "overmanagement." Overseers tend to get into more and more detail and eventually instead of overseeing, they are directing. We have to watch it in both cases, we have to achieve a balance where there's enough oversight to provide reassurance but not so much as to hobble our intelligence activities. Let me say that I think we're achieving that balance today but I also would be candid with you in saying that it probably would be another two years before we're sure that we have that balance in right proportion. We're still working out these procedures with the oversight mechanism, with Congress. Congress

is working on a new law which will be chartered for the intelligence community and until all that is sorted out, I can't guarantee you that this is not going to hobble intelligence, I can only tell you today that we are moving well and in the right direction to achieve that balance. Is it worth the effort to have this oversight and this openness? Yes, I think it is. I think _____ the strength we get from it counterbalance the risks in many, many ways. For instance, I talked about public support, I've talked about preserving our secrets, I've talked now about the reassurance it gives not only the American public but us in the intelligence community to have ^{the} oversight that ensures we are, in fact, performing in ways that the American public would support, and in ways that conform only with our foreign policy, not run counter to it. And finally I would say there is another advantage to me as a manager of this kind of a large operation, having oversight, having accountability makes it easier to manage particularly in a secretive, risky business like intelligence. Its easy to get carried away with dedicated enthusiasm, perhaps to take risks that are not warranted. But when you are subjected to accountability, you can in fact recognize that you are going to be asked why did you do this, why did you do that, and it makes you shudder, it makes your decision makers ensure they can stand behind what they do. Accountability is a very good tool for management. But what I'm saying to you overall is that there are two major changes, major trends in intelligence in our country today. We must operate in greater openness and under greater oversight but, at the same time, we must expand the areas of expertise and information that we are able to develop and give to our major policy makers so that they can,

in fact, make good decisions for you and for me. This is an exciting and important and historic time in American intelligence. We are, in my view, evolving what I call a new, a uniquely modern and uniquely American model of intelligence. A model of intelligence that is founded in the basic values of our society and yet is designed to enable to have the capabilities that we need to gather and interpret that information which is so important to our decision makers today. I assure you that I believe that we are the best in the world at intelligence today. I also assure you that I intend that we're going to stay on top. Thank you.

TOWN HALL
QUESTIONS & ANSWERS

Q: Two questions, I think we'll ask them one at a time. We'll ask the first one first. What is your _____ of the importance of the People's Republic of China in the next 20 years?

A: Well _____, the People's Republic of China is very important to us and to world stability in the next 20 years or more. The balance between the Soviet Union, the United States, the People's Republic of China is a triangular arrangement, one that is very delicate, one that encompasses the three major powers of greatest potential in the world. We must increasingly understand what goes on in China, where we have not had representation, we've not had access for many years. Its a fascinating society, its one that has many _____ and difficult aspects that we've got to try to learn and understand. But understanding and predicting the relationship between the Soviets and Chinese in the years ahead is critical because that kind of power equation is just very, very important. So I think that we are going to be increasingly involved in interpreting and understanding the role of the Chinese.

Q: In terms of intelligence, what area, situation or nation do you see as the most critical area?

A: Well as I mentioned to you, while we're diversifying our intelligence, the growth of Soviet military strength has to remain our primary number one concern. Why? Not because I particularly think the Soviet Union is going to wage an intercontinental strategic war against the United States or invade Western Europe, but because the fabric of the Western Alliance has

got to be confident enough that it can stand up to the growing Soviet conventional, nuclear strength, that the lines will remain cohesive and will remain firm in its resolve against the Soviet power. The Soviet Union cannot appreciate - cannot compete with the United States economically or even politically and therefore they have some _____ to do to compete in those areas and turn themselves in a very dedicated way to their military strength. And we must be able to understand that so that we can respond with adequate counterstrength in the right kinds and right quantities, not too much, not too little, in order to maintain our resolve and our fabric of the Alliance.

Q: With half of our imported oil coming from the Middle East, what kind of a threat do you see in the build-up of the Soviet Navy in that area?

A: Clearly when a country is as basically a land power like the Soviet Union, makes an investment of the size that they are in naval power, we have to be concerned, we have to be alert. The Soviet Union does not have legitimate, commercial or other interests that require them to be a seapower and yet, they are investing heavily to be one. Yes our oil lines are threatened by this _____ of Soviet power in the sea and yet I would suggest that that's a very major step, you're cutting somebody at his levels in the Western society if you attempt to sever that sea lane. But the implicit _____ is something that hangs over our heads and we must be able to understand and counter and also I think we find the Soviets increasingly displaying their naval forces in various parts of the world to show the _____, to give an impression of increasing Soviet interest and activity on military capability around the world. It needs to be watched and countered on all grounds.

Q: There are the recent reports that the Soviet budget for space is four times that of NASA's. What implications do you see in this?

A: From my point of view our budget is adequate and we are ahead, markably ahead in what I describe as technical intelligence collection techniques. Because of the sophistication of our country, because of our scientific expertise, and because of this Los Angeles area of our country, where so much of the aerospace industry is located and which contributes very heavily to our intelligence capabilities, we're grateful for it, I'm confident that we are holding our own and we're doing better than that today in this area.

Q: _____ concerns, I think there have been three instances, of agents who have "blown the whistle." What can Congress or the country or the Agency do about this kind of situation?

A: One thing the country can do is not look on those people as heroes automatically. Some of them may be doing good and some of them may not. But I would suggest that the so-called whistle-blower who is really sincere and wanted to reform rather than just rephrase our problem, will go through these oversight mechanisms I mentioned to you will protect the secrecy of the material if it is there. But none of them have done this, they've gone out on their own and published directly information that in many cases endanger our country. What can we do as a government? We have taken one of them, Mr. Snepp, to trial because he directly violated a contract that we had with him. He did not submit his manuscript for review, not for censorship but I'm saying for review. We don't have any authority under our agreement with our employees to censor what they write. We do require that they let us see it so we can advise them if its classified. If they still want to publish it, then we

go to the court procedures to see if that's probable or not, we can't just arbitrarily tell them no, you can't do this. That's all we wanted with Mr. Snepp, he didn't do this. He came to me and directly told me he was going to submit his book first, he did not do so, so we took him to court and I'm very pleased the court has sustained our case and I'm hoping that this and other tightening of our existing regulations will help us discourage this kind of unpatriotic activity.

Q: The masses of data that you collect, certainly there must be something on the food resources of Russia. The questioner wants to know how weak are they in comparison with this country.

A: Of course it is very revealing that a country that is basically agricultural as large as the Soviet Union cannot even feed itself, its agriculture is so inefficient and this goes to their basic economic theory which is erroneous. This year we expect the Soviets to have perhaps their largest grain harvest ever, they're doing very well, good weather, good plantings, and they will be probably self-sufficient. They have an agreement with us to buy a minimum of 6 million tons of wheat a year and we feel they will fulfill that. Perhaps more because they are trying to get back into producing more meat. They've gone _____ with this, when they've got a bad harvest, they've got to kill off the cattle and they keep trying to come back to a higher standard of meat consumption for their public. The basic answer to how weak or strong this makes them is, I don't think it makes them weak, I think that its going to be a long time before they substantially improve their standard of living as far as food is concerned. But if it were a showdown, a war or crisis, they'll tighten that belt and

they can do that and get along. Its not going to be comfortable for them but its not an Achilles tendon that keeps them from being a powerful nation. It certainly does not give them, however, as we have, the advantage of being able to earn lots of foreign exchange with _____ of agricultural products. This is one of our great technological superiorities, the field of agriculture. And it is a great strength of ours in the economics sphere and as I've said they are just no match for us in economics.

Q: There has been much report on the _____ of _____ technology. The questioner was concerned about the legitimacy of _____ technology _____ by suggesting that there are two kinds of technology flow from the West to the East. How dangerous is this or _____ independently to this country?

A: Basically I think that the controls that are exercised by our government give us a reasonable balance between wanting to expand contact, expand our opportunities to understand our two countries through the economic sphere, and giving away too much. I think we're quite judicious in not getting advanced technology to the Soviet Union. There's almost nothing as technical as you can export that couldn't have some possible military application but I think we've generally drawn that line very well.

Q: Does Israel have strategic importance to the United States other than its geographical location in the Arab _____?

A: Yes it does. I was asked a minute ago what was ^{the} / most important problem we face and I named the Soviet military threat, but if I'd moved on from that to the subsequent problems, the resolution of the very difficult situation in the Middle East is certainly one of the highest priority issues that our country faces. We have such historic interest in the

Middle East, we have such economic interest in the Middle East, and the whole world has an interest in there not being a complication in that critical area of globe. So resolving the problems between Israel and her Arab neighbors has just got to be a very high priority issue for our country.

Q: With the tremendous amount of data that is intercepted electronically that flows in through the agents, perhaps this is a question than can't be answered, but it would seem that the _____ of those persons directly involved in gathering intelligence and those persons who analyze it must be very _____. Is that true?

A: There are lots of suggestions that we put more emphasis on collecting intelligence than we do on analyzing it. I think there is some truth in that and we are looking and working very diligently to ensure we have the proper balance in the future. In part/because of this proliferation of the amount of data that can be gathered today by our technical systems and it takes more and more people to analyze this. In part also its because its always more difficult, more subject to error to analyze and interpret than it is to simply gather the facts, so there's more likely to be criticism of the interpretative side than there is on the collecting side.

Q: ~~Is~~ The instance of Rhodesia is brought up when the United States is faced with the choice and recognizing or not what _____. The questioner wants to know in evaluating this kind of situation, how much information flows in the CIA, how much information flows from the intelligence areas of State Department and perhaps/other areas _____.
there are

A: As I tried to indicate in my remarks, one of our real challenges is to bring together all of the possible sources of information that we have. Normal reporting from State Department channels, from ambassadors, is very useful, very important to us. And we have a basic rule, that we do not want to use either our technical systems of collecting intelligence which as I said are expensive, or our human systems of collection intelligence which I said are risky, if we can get that information by open means, by ambassadors, by reading newspapers, by talking to travellers who've gone to those countries and so on. In each instance in Rhodesia's, no different than any other, we have to find a right blend of those sources that would give us enough but not too much duplicatory information. In Rhodesia in particular, the kind of things you are trying to find like what is the intention of Ian Smith, is this internal settlement really going to work, what will the external forces of patriotic front do, will they step up the guerilla activities, do they have the capabilities to do that. Those are things ^{that are hard to} ~~that are hard to~~ find by these technical means that I have been describing. They are also not easy for State Department people because they don't go out on the street and talk about their intentions so we use all those technical and open means that we can, but none of them are adequate. It's a matter of bringing them all together with little pieces, little clues here and hoping we can think make a picture out of the puzzle.

Q: _____ it would appear that the Russian government is extremely concerned about the human relations, freedom of human relations _____.
Is this (inaudible)

A: I find it very difficult to answer that one Lou because the Soviets are so far away from any kind of open immigration, any kind of willingness to let

their people make their free choice, but I don't know that we can judge that. Those who are clamoring most to get out are minorities who are in many ways oppressed or treated unfairly in the Soviet Union and clearly there are many, many of those minorities who do want to get out. But what if that would extend to the basic Russian people themselves, I don't really know. I have my doubts, I think that there would be much increased immigration _____.

Q: Questioner has served for almost half a century as a reporter or as a news gatherer's aide and while there he observed that one of the most _____ was American enterprise and often saw that working against American enterprise was the State Department. What does that have to do with the CIA _____?

A: I think our country is built around free enterprise of American commerce, industry and its a critical element of our country. We're very ~~conscious~~ happy that we try to do what we can in intelligence to support American business. Part of our openness policy of publishing more is directly pointed towards being of assistance to the American business community. We can't work for them but we can scrutinize the things we are studying and analyzing and see which ones might be of interest and value to them. We regularly publish statistics and predictions on international terrorism which we hope will help the American business community. _____ very grateful over the years to have been supported by the American business community. In an very open way we have an office here in Los Angeles that is there to have contact with the American business community of those businesses that would like to support their country by reporting on things they are learning about

international commerce or activities in foreign countries. We're there very openly to receive and feed that information into the intelligence system. I think I can see nothing but full support for the American free enterprise concept.

Q: I would like to preempt that last question if I may. The CIA received a tremendous amount of criticism over the way the Chilean situation^{was handled,} so much that perhaps would incline one to wonder if they were really in a position now that there are world movements that are/^{changing such} Republic of China situation. Are they in a situation where they can truly be helpful in the best interests of the United States?

A: I think the question brings us to the topic of what's called covert action which is not intelligence but its been the Central Intelligence Agency that has always been tasked by our government to conduct covert action. Covert action is used to influence events in other countries, Chile as an example. Today covert action is under very tight control both by the Congress and the Executive Branch of the government. These controls do /^{inhibit} how much covert action we could do if called upon. On the other hand, I happen to believe that today the need for and the applicability of covert action in attempting to influence the course of events abroad is less than it has been in the past. Traditional covert action techniques are not as useful or as applicable today. I do believe that/^{if} we have national consensus on what kind of a program the country wants with respect to various foreign countries, we still can do covert action and that it is important for us to retain that capability as a potential to exercise only under the very tight controls. These have been marvelous questions. I thank you for them and I thank you for the opportunity of being with you today.

CT.

CASSETTE
TAPE

